

## Rhetoric Versus Reality

***Promises for Health Care Not Met*** — In the State of the Union address, the President touted the government's responsibility to provide health care for the poor and elderly, and set forth a goal of confronting rising health costs for all Americans. Despite these claims, the budget cuts Medicare by \$35.9 billion over five years and \$105 billion over ten years, and raises premiums for certain seniors. The budget also cuts health care for low-income children, families, disabled, and elderly by making gross cuts to Medicaid of \$17.2 billion over five years through a package of legislative and regulatory changes. Even after some reinvestments back into the program, the Medicaid cuts still reach \$14 billion over five years. As for affordability, the Administration focuses almost exclusively on health savings accounts and high-deductible health plans – forms of health insurance that serve to shift more health care costs onto consumers.

***Budget Fails to Support Students*** — The Administration claims to be providing aggressive leadership in educating America's students, yet the budget cuts appropriations to help students attend college, cuts funding for high school achievement programs by almost \$600 million, and drastically cuts the funding to keep children safe during and after school. For instance, although the budget includes a new high school reform initiative, it more than offsets that funding by eliminating all vocational education programs as well as three programs that help low-income students prepare to attend college. It eliminates eight higher education programs that account for \$848 million in "savings," and it freezes the maximum Pell Grant award at \$4,050, although average tuition and fees at a four-year public college have risen by \$1,393 since the last Pell increase in 2003. And these cuts come just days after Congress passed the Republican reconciliation spending cut bill, which cut \$12 billion from planned spending on student loans over five years (2006-2010).

***"American Competitiveness Initiative:" Less Than Meets the Eye*** — The budget touts a new \$5.9 billion initiative to increase federal research funding and to train more teachers in math and science. In fact, though, most of the funding – \$4.6 billion – simply extends the existing research and development tax credit through 2007. The initiative spreads \$1.3 billion in new funding across the National Science Foundation, the Department of Energy's Office of Science, the National Institute of Standards and Technology's research programs, and the Department of Education. Most of the \$380 million to improve elementary and secondary school teaching of math and science comes at the cost of current education technology programs, which the budget eliminates entirely. Despite the Administration's claims of support for research efforts, the budget essentially freezes funding for the National Institutes of Health. Finally, the initiative recycles a prior Administration proposal to let certain people obtain job training through personal Career Advancement Accounts of up to \$3,000, but the budget pays for this by consolidating existing job training programs and cutting the available funding by \$496 million (12.7 percent), to \$3.4 billion.